

NEWS

Experts call for extra benefits to protect elderly from fuel poverty



By rymeradelle

© JAN 5, 2022



As rising fuel prices and ongoing pensioner pressures cause them to be in financial crisis, they rely on fuel assistance that hasn't increased for more than ten consecutive years.

In Money Mail, Baroness Rosaltnann (former Pensions Minister) calls on the government to take urgent measures to help the elderly avoid fuel poverty.

Money Mail also highlighted four possible ways that the government could help pensioners with their cost of living woes.

Is it better to heat than to eat? According to Age UK, 150,000 households over 50 could be in fuel poverty by the end of this winter.

These include: increase heating benefits for elderly people; reduce taxes on energy bills and rethink the triple-lock suspension.

The energy crisis is growing faster than ever for over four months and no support was provided.

Today, the Business Secretary will hold crunch negotiations with suppliers of energy. However, campaigners demand that more immediate measures be taken to protect elderly homes. They will be the hardest hit.

Because pensioners spend more on their energy bills, this is why.

Baroness Altmann says the issue is 'literally a matter of life and death' for elderly people, who die in their thousands from respiratory illnesses each winter. The Government could offer assistance in a fast and efficient way by increasing heating benefits.

These include the 2009 winter fuel payment. Households with a state pensioner under 80 are entitled to £200 while those with a resident 80 or over are entitled to £300.

Similarly the warm home discount — a one-off reduction on electricity bills to those on certain benefits between October and March — has stayed at £140 since it was introduced in 2011.



Frozen: The warm home discount – which offers a one-off discount on electricity bills to those on certain means-tested benefits – has stayed at £140 since it was introduced in 2011

According to Government data, the average annual electricity bill in England and Wales in 2011 paid by direct debit was £480.

Cold weather payments are available to the most vulnerable citizens in times of cold, when temperatures fall below freezing seven consecutive days. This is between November and March.

But this has been stuck at £25 a week since 2008, when the average annual electricity bill was £476 and annual gas bills were £520.

The issue is compounded by the scrapping of the triple lock which means the state pension will only increase by 3.1 per cent — despite inflation predicted to hit 6 per cent this year.

There are four ways to alleviate the crisis

- Heating benefits to the elderly can be improved
- Energy bills should be reduced by lowering taxes
- Reaffirm the Triple Lock Pension Promise
- Increased take-up for pension credit

Baroness Altmann says that payments are insufficient and that take-up is still very low. Because pension credit holders have the option of cold weather payment and warm home discount, they are automatically eligible for these benefits.

But around four in ten pensioners on a low income eligible for the benefit are not receiving it, meaning 920,000 pensioner households are missing out on payments worth £1.6 billion every year.

In 2015, green levies accounted for just 7 per cent of an average dual fuel bill (£86 out of £1,165), according to energy regulator Ofgem. By 2020 that proportion had doubled to 15 per cent (£182 out of £1,189).

Twenty Conservative MPs, along with their peers, urged Prime Minister David Cameron to eliminate energy taxes in order to avoid more people falling into fuel poverty. Since August, wholesale energy costs began to rise dramatically in the wake of this crisis.

Total of 28 vendors went bust in 2021. 23 failed over a period of just three months. Money Saving Expert founder Martin Lewis warned this week: 'We need to look at what we can do now and how we can protect those people who will need to choose between heating and eating.'

Ofgem's energy price cap, £1,277, sets the maximum price energy firms can charge an average household on a default tariff per year.

Now is the time to get to a Government agreement on a price cap that will take effect April 1st. It is widely expected to increase to £2,000.



Bills threat: Experts estimate households could face another £20bn on their annual energy bills if the energy price cap rises to £2,000 in April

According to forecasts by comparison site The Energy Shop, this could leave UK households with a collective extra £20 billion added to their annual energy bills.

The assumption that all households remain on a standard, variable tariff is used to calculate this figure. In the past there was only about 11 million households who were on a standard variable tariff.

Firms found them too costly to offer fixed tariffs, so they almost vanished in the second quarter of 2013.

Fixed tariffs have been offered by some suppliers to go well beyond the cost cap.

It was reported last week that Ovo Energy, the UK's second biggest supplier, was offering a fixed-rate deal worth just under £4,200.

This deal will cost state pension beneficiaries nearly half their monthly income. An Ofgem spokesman says: 'Our top priority is to protect energy consumers and the price cap has protected millions of households from the full impact of surging global gas prices this winter.'

A spokesman for the Department of Business, Energy and Industrial Strategy says: 'We recognise families are facing pressure, which is why we are taking £4.2 billion of decisive action to help households, and the energy price cap remains in place to shield millions from high global gas prices.'

'We are also supporting vulnerable and low-income households through initiatives such as the new £500 million household support fund, warm home discount, winter fuel payments and cold weather payments.'

h.kelly@dailymail.co.uk

It is imperative that we act quickly to prevent fuel poverty among the elderly



Warn: Ex-Pensions Minister Baroness Ros Altmann

By ROS ALTMAN

As fuel prices rise and inflation continues to climb, pensioners face a storm in this winter. However, their pensions are not keeping up.

It is imperative that the Government addresses the crisis of cost-of living for seniors who are the most vulnerable during this season. Every winter, tens of thousands of pensioners die — often due to respiratory illnesses caused by the colder weather.

There are many lives at risk, so the government must act immediately. Today, I call for immediate increases in fuel support to be part of the winter manifesto.

Even in a normal year, with the lowest state pension in the developed world, the costs of heating means that the UK's elderly tend to succumb to bad weather in large numbers.

This year, however, is not normal. Partly because people aren't as active, and partly because of the sudden spike in heating costs.

Regulator Ofgem's increase in the energy price cap in October has already hit many pensioners, and further hikes are in the pipeline.

In the meantime, more pensioners will be living with inadequate incomes due to the modest 3.1% increase in state pensions starting April.

It would be a good idea for the Government to begin with pension credit. Nearly four-in-10 people eligible for it are not getting it.

This is the lowest take-up rate of all means-tested benefits and reflects the reluctance of pensioners to claim extra help. These pensioners are too proud to realize that this is their right and not a handout.

Perhaps the Department for Work and Pensions and HM Revenue and Customs can work together and identify people who have rights to increase payments, instead of waiting for claimants.

Calling pension credit a 'state pension top-up' and helping pensioners understand that the money is their right, with a national advertising campaign, is urgently required to raise awareness.

This benefit should be available to more seniors. Recent years have seen a significant tightening of the eligibility requirements.

Pension credit is not available for any household that has at least one over-60-year-old member. Instead, it will only be payable to the spouse whose birth date was before September 1955.

Many pensioners, who were able to receive extra assistance with living expenses in the past, are now unable to.

After being cut in 2011, winter fuel payments have fallen to 2009 levels. Cold weather payments of £25 a week have not risen since 2008 and the warm homes discount of £140 a year has not increased for more than ten years.

Pensioners should consider increasing all three to account for the massive rise in heating expenses.

This article might contain affiliate links. Clicking on these links may result in us earning a small commission. This is money helps fund it and we keep it for free. Our articles aren't written for the purpose of promoting products. No commercial affiliation can affect our editorial independence.